

**REMARKS**

In the Final Office Action dated May 10, 2006, the Examiner rejected claims 1-7 and 25-36. All of the claims are believed to be clearly patentable over the single cited reference. Reconsideration and allowance of all pending claims are requested.

**Rejections Under 35 U.S.C. § 102(e)**

Claims 1-7 and 25-36 were rejected under 35 U.S.C. § 102(e) as being anticipated by Moro et al., U.S. Patent No. 6,940,388 (hereinafter "Moro").

**Defective nature of the Office Action, and request for new Action.**

Applicants submit that the Final Office Action is defective in that it does not set forth a basis for rejection of most of the claims. Claims 2, 25 and 31 and claims depending therefrom recite a reduced weight percentage of second portion disposed on first portion. The final office action does not mention the basis for rejection of these claims based on the reduced weight percentages. The Examiner is reminded that each action on the merits is expected to be complete as to *all* of the claims. *See*, MPEP, section 707.07.

**Moro does not teach an elongated particle recited in claims 1 and 25.**

Independent claims 1 and 25 recite a soft magnetic material comprising an elongated first portion formed of a soft magnetic material and a second portion disposed on the first portion, the second portion being formed of an electrically insulating material.

For a reference to be anticipatory, each and every element of Applicants' claims must be present in a single reference. The Examiner stated that Moro discloses:

"[t]he shape of the ferromagnetic metal powder, without any particular limitation, may be spherical or flat." (emphasis added) (col. 3, line 27-29). Thus, the magnetic material powder is not limited to just spherical or flat. Moreover, a flat shape broadly includes elongated shape.

The Examiner argued that a flat shape broadly includes elongated shape. Applicants observe that this statement is simply incorrect. A “flat” particle does not imply an elongated particle. The commonly understood meaning of the term “elongated” as used in the present application indicates that one dimension of the particle exceeds the other two dimensions. By contrast, the commonly understood meaning of the term “flat” as used in Moro implies that two dimensions of the particle will exceed a third dimension. Applicants believe that these plain meanings are simply beyond dispute. Therefore, the claimed elongated particles are not taught by the reference to “flat” particles in Moro.

In practice, the shape of the particles of the present application is believed to affect the magnetic properties. The present application (paragraph 20, 27 and 28) states:

It has been determined that the shape of first portion 22 can effect the magnetic properties exhibited by electromagnetic devices 10. Specifically, it has been found that electromagnetic devices 10 exhibit increased magnetic properties with particles 20 having an elongated shape as compared to, for example, spherical particles. For example, particle 20 can have an aspect ratio of between about 20 to about 500.

Advantageously, particle 20 having the aforementioned elongated first portion and thin, uniform second portion 24 is configured to provide electromagnetic devices 10 with a core loss of less than about 6 Watts per pound at a magnetic flux density of about 1 Tesla and a frequency of about 60 Hertz. In other embodiments, particle 20 is configured to provide electromagnetic devices 10 with a core loss of less than about 2.5 Watts per pound at a magnetic flux density of about 1 Tesla and a frequency of about 60 Hertz. Further, particle 20 having the aforementioned elongated first portion and thin, uniform second portion 24 provides electromagnetic devices 10 with a magnetic permeability of greater than about 1000 at a magnetic flux density of about 1 Tesla and a frequency of about 60 Hertz.

Thus, the elongated shape of particles 20 is particularly configured to provide electromagnetic devices 10 having minimal core losses and high permeability.

The present application describes that the particles having an elongated shape exhibit better magnetic property as compared to particles having other shapes. The shape of the particle is integral to provide desired magnetic flux density. Moreover, the aspect ratio of the present particle is much higher than the particle of Moro, indicating an elongated particle. Thus, both by the plain meaning of the terminology, and the distinctions in the underlying properties owing to the claimed shape, Moro cannot anticipate the "elongated" particles claimed.

Because Moro does not teach an elongated soft magnetic material, it necessarily does not teach, each and every element of claims 1 and 25. Consequently, Moro does not anticipate claims 1 and 25. Accordingly, Applicants respectfully submit that independent claims 1 and 25 and claims depending therefrom, claims 2-7 and 26-30 are allowable and respectfully request the Examiner to reconsider rejection of the claims.

**Moro does not teach the range recited in claims 2, 25 and 31.**

Claims 2, 25 and 31 recite a soft magnetic particle wherein a second portion is disposed in an amount from about 0.05 weight percent to about 0.15 weight percent. Claim 2 is believed to be patentable as it depends directly from presumably allowable claim 1. In addition, Moro does not teach or disclose the range mentioned in the claims 2, 25 and 31.

Applicants submit that the Examiner's reliance on *In re Nehrenberg* is misplaced. First, if the Examiner actually expects to rely upon any precedential holding set forth in *In re Nehrenberg* or any other decision, Applicants simply request that the relevant holding and its implication on the present case be clearly set forth. Moreover, and despite any such holding, Applicants stress that the type of legal principal relied upon by the Examiner is not applicable here because Moro does not teach or disclose the weight percentages of the instant claims.

As best understood, the Examiner's argument is that when the prior art mentions or acknowledges specific ranges, but then adds that those ranges are not preferred, the mention may nevertheless be relied upon for anticipation. Even if this were true, those facts are not present in the present case.

That is, even if the proposition advanced by the Examiner were generally true, which Applicants do not admit, the present case is clearly distinguishable. If Moro disclosed the range recited in claims 2, 25 and 31 *at all*, and then taught that it was useful only for certain limited purposes, or even should be avoided, the Examiner may have grounds to argue that the range is nevertheless taught. In this case, however, Moro simply *does not disclose* the range of claims 2, 25 and 31. Moro only mentions other, much higher ranges for weight percentages of insulation coatings on flat magnetic particles. Nowhere in the reference are *any other* weight percentage ranges mentioned, or even dispelled as undesirable or not preferred.

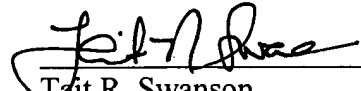
Therefore, Moro does not teach the ranges of the instant claims and hence cannot anticipate claims 2, 25 and 31. Accordingly, Applicants respectfully submit that claims 2, 25 and 31 and claims depending therefrom, claims 26-30 and 32-36, are allowable and respectfully request the Examiner to reconsider rejection of the claims.

**Conclusion**

In view of the remarks set forth above, Applicants respectfully request allowance of the pending claims. If the Examiner believes that a telephonic interview will help speed this application toward issuance, the Examiner is invited to contact the undersigned at the telephone number listed below.

Respectfully submitted,

Date: July 10, 2006

  
Tait R. Swanson  
Reg. No. 48,226  
FLETCHER YODER  
P.O. Box 692289  
Houston, TX 77269-2289  
(281) 970-4545